



28 August 2023

VRX Silica Launches \$3 million Capital Raising

Highlights:

-  **Firm commitments received for a \$1.5 million placement of new shares to institutional and sophisticated investors at 12c per share**
-  **\$1.5 million Share Purchase Plan offer to eligible shareholders on the same terms**
-  **Placement and SPP shares offered with free-attaching options on a 1:2 basis, exercisable at 18c and expiring on 31 August 2025**
-  **Funds will be applied to further work and equipment purchases ahead of expected approvals at Arrowsmith North and further work at Muchea**

VRX Silica Limited (**VRX Silica** or **Company**) (ASX: VRX) is pleased to announce a \$3 million capital raising, comprising a placement of \$1.5 million (**Placement**) and a share purchase plan of up to \$1.5 million (**SPP**) (the Placement and SPP together, the **Capital Raising**).

Placement Details

The Placement to new and existing sophisticated and professional investors will raise \$1.5 million, before costs. It will comprise the issue of 12.5 million new fully paid ordinary shares in the Company (**New Shares**), utilising the Company's existing capacity under ASX Listing Rule 7.1, at a price of 12c per New Share (**Offer Price**). The Offer Price represents a 17.2% discount to the last closing price of 14.5c and 20.4% discount to the 5-day VWAP of 15.1c.

Participants in the Placement will be entitled to subscribe for free-attaching options (described in further detail below).

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Capital Raising.

Share Purchase Plan

In addition to the Placement, the Company is undertaking an SPP to eligible shareholders seeking to raise up to an additional \$1.5 million. Eligible shareholders at the record date of 7:00pm (AEST) on 25 August 2023 with a registered address in Australia and New Zealand (**Eligible Shareholders**) will be invited to participate in the SPP.

ASX: VRX

Capital Structure

Shares on Issue:
560.4 million

Unlisted Options:
48.5 million

Corporate Directory

Paul Boyatzis
Non-Executive Chairman

Bruce Maluish
Managing Director

Peter Pawlowitsch
Non-Executive Director

David Welch
Non-Executive Director

Ian Hobson
Company Secretary

Silica Sand Projects

Arrowsmith Silica Sand Projects, 270km north of Perth, WA.

Muchea Silica Sand Project, 50km north of Perth, WA.

Boyatup Silica Sand Project, 100km east of Esperance, WA.

Geothermal Energy

Dandaragan Geothermal Energy Permit, 145km north of Perth, WA

The Company is actively assessing other silica sand projects in Australia.

The SPP will enable Eligible Shareholders to apply for up to \$30,000 worth of New Shares at the Offer Price of 12c per New Share, being the same price as under the Placement. The New Shares under the SPP will be issued utilising the Company's existing capacity under ASX Listing Rule 7.1.

Participants in the SPP will be entitled to subscribe for free-attaching options (described in further detail below).

Further information in relation to the SPP, including the SPP terms and conditions and scale-back policy, will be outlined in the SPP offer booklet, expected to be released on Monday, 4 September 2023.

The Company also reserves the right to place any shortfall under the SPP (at the same issue price) utilising its remaining capacity under ASX Listing Rule 7.1.

The SPP offer is expected to open on Monday, 4 September 2023 and close at 5:00pm (AEST) on Friday, 22 September 2023. The SPP offer is not underwritten.

The Company reserves the right to vary the terms of the SPP and the above dates.

Free-attaching Options

The New Shares under the Placement and SPP are offered with one (1) free attaching option for every two (2) New Shares issued (**Options**).

The Options will have an exercise price of 18c and will expire on 31 August 2025.

The Options will be offered under a transaction-specific prospectus.

The issue of Options to participants in the Placement and the SPP will be made utilising the Company's existing capacity under ASX Listing Rule 7.1. The Options will not be quoted on ASX however the Company reserves the right to seek quotation at a later date at its discretion.

Use of Funds

The funds raised under the Capital Raising will be used to fund further work and equipment purchases ahead of expected approvals at Arrowsmith North and further work at Muchea, and to fund general working capital and costs of the Capital Raising.

Capital Raising Timetable*

Event	Date (2023)
SPP Record Date (7.00pm)	Friday, 25 August
Capital raising announced to ASX	Monday, 28 August
Settlement of Placement	Thursday, 31 August
Issue and trading of New Shares under Placement	Friday, 1 September
SPP Offer Booklet lodged with ASX Prospectus lodged with ASIC and ASX Opening Date of SPP Offer and SPP Option Offer Letters sent to Eligible Shareholders	Monday, 4 September
Closing Date of SPP Offer and SPP Option Offer (5.00pm)	Friday, 22 September
Announcement of results of SPP	Thursday, 28 September
Issue and trading of New Shares under SPP (other than SPP Shortfall Shares, if any)	Friday, 29 September
Allotment of Options (other than those Options to be issued in connection with the SPP Shortfall Offer, if any)	Friday, 29 September

* The Company reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are AEST.

This announcement has been authorised for release by the Managing Director, Bruce Maluish.

About VRX Silica Limited

VRX Silica Limited (ASX: VRX) is the most advanced pureplay silica sand company listed on the ASX, developing its 100% owned silica sand projects at Arrowsmith (North, Brand and Central), Muchea and Boyatup in Western Australia.

Silica sand is the most used commodity on the planet after air and water. It is the main ingredient in all types of glassmaking, including specialty solar panel and high-tech glass, and foundry casting. It is a finite resource that is running out, with the Asia-Pacific region experiencing an ever-growing supply shortfall that is driving up prices.

Arrowsmith is located 270km north of Perth. Arrowsmith North boasts a minimum 25-year mine life capable of producing more than 2Mt tonnes per year of high-grade (99.7% SiO₂)* silica sand for export to the foundry, container glass and flat glass markets in Asia, with permitting well advanced, and will lead production.

Muchea, located 50km north of Perth, is an ultra-high-grade (99.9% SiO₂)* silica sand project capable of producing sand required for ultra-clear glass for solar panels and other high-tech glass applications.

Boyatup, located 100km east of Esperance, is under development and capable of producing sand for the glass market.



*Information relating to grades are extracted from releases to ASX on 28 August 2019 and 11 November 2022 (Arrowsmith North) and 18 October 2019 (Muchea). The company is not aware of any new information or data that materially affects this information.